



DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

[Docket No. RBS-21-BUSINESS-0024]

Inviting Applications for the Rural Energy for America Program

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice of Solicitation of Applications.

SUMMARY:

The Rural Business-Cooperative Service (the Agency) Notice of Solicitation of Applications (NOSA) announces the acceptance of grant, guaranteed loan, and combined grant and guaranteed loan applications under the Rural Energy for America Program (REAP). The REAP program helps agricultural producers and rural small businesses reduce energy costs and consumption and helps meet the Nation's critical energy needs. Applications for REAP may be submitted at any time throughout the year. This notice announces the deadlines, dates, and times that applications must be received in order to be considered for federal Fiscal Year (FY) 2022 REAP funds. The NOSA is being issued prior to passage of a final appropriations act for FY22 to allow potential applicants time to submit applications for financial assistance under the program and to give the Agency time to process applications within the current FY. The administrative requirements in effect at the time the application window closes for a competition will be applicable to each type of funding available under REAP. All REAP applications competing for FY22 funding will be scored according to the scoring criteria listed in the final REAP rule. Applicants who have already filed REAP applications for FY22 will be allowed to provide additional information if necessary for application scoring; the modification will not be treated as a new application nor will it alter the submission date of record.

DATES: Applications for the Energy Audit and Renewable Energy Development Assistance (EA/REDA) grant program must be submitted via www.grants.gov or to Rural Development

offices by no later than 4:30 p.m. local time on January 31, 2022. Applications for the Renewable Energy Systems and Energy Efficiency Improvements (RES/EEI) grant program must be submitted via www.grants.gov or to Rural Development offices by no later than 4:30 p.m. local time on October 31, 2021 to compete for 50 percent FY22 set-aside funding and by no later than 4:30 p.m. local time on March 31, 2022 to compete for remaining FY22 RES/EEI grant funds. RES/EEI and Energy Efficient Equipment and Systems (EEE) guaranteed loan applications are competed on an ongoing basis. See table in Section IV.D. for details on REAP competitions.

ADDRESSES: You are encouraged to contact your USDA Rural Development State Energy Coordinator well in advance of the application deadline to discuss your project and ask any questions about the application process. Contact information for Energy Coordinators can be found at https://rd.usda.gov/files/RBS_StateEnergyCoordinators.pdf.

Program guidance and application forms may be obtained at <https://rd.usda.gov/programs-services/all-programs/energy-programs>. To submit an electronic application via grants.gov, follow the instructions for the REAP funding announcement located at <https://www.grants.gov>.

FOR FURTHER INFORMATION CONTACT: Deb Yocum, Program Management Division, Rural Business-Cooperative Service, United States Department of Agriculture, 2920 East Court Street, Suite 3, Beatrice, NE 68310, 402-499-1198 or email CPgrants@usda.gov.

SUPPLEMENTARY INFORMATION:

Overview

Federal Agency: Rural Business-Cooperative Service

Funding Opportunity Title: Rural Energy for America Program

Announcement Type: Initial notice

Catalog of Federal Domestic Assistance (CFDA) Number: 10.868

Type of Instrument: Grant, guaranteed loan, and grant and guaranteed loan combined funding.

Approximate Number of Awards: The estimated number of awards is 1,000 based on the historical average grant size and the anticipated mandatory funding of \$50 million for the FY. The number of awards will depend on the actual amount of funds made available and on the number of eligible applicants participating in this program.

Administrator: The Agency encourages applicants to consider projects that will advance the following key priorities:

- Assisting Rural communities recover economically from the impacts of the COVID-19 pandemic, particularly disadvantaged communities.
- Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects.
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

I. Federal Award Information

Type of Award: Competitive grants and guaranteed loans.

Total Funding: Approximately \$50 million mandatory funding

Maximum Award: See **Funding Restrictions** in Section II of this notice.

Minimum Award: See **Funding Restrictions** in Section II of this notice.

Project Period: Up to 24 months for grants. Guaranteed loans are governed by the loan terms.

Anticipated Award Date: Prior to September 30, 2022.

II. Available Funds Information

Program Level Funds. This notice is announcing deadline times and dates for applications to be submitted for REAP funds that may be received from the congressional enactment of a full-year appropriation for FY22. The Agency will continue to process applications received under this

announcement and should REAP receive appropriated funds, these funds will be announced on the following websites: <https://rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency> and <https://rd.usda.gov/programs-services/rural-energy-america-program-energy-audit-renewable-energy-development-assistance>. Expenses incurred in developing applications will be at the applicant's risk.

Types of Funding and Allocations. REAP has two types of funding assistance: 1) Renewable Energy Systems, Energy Efficiency Improvements (RES/EEI) and Energy Efficient Equipment and Systems (EEE) and 2) Energy Audit and Renewable Energy Development Assistance (EA/REDA). The RES/EEI provides grants and guaranteed loans to agricultural producers and rural small businesses for the purchase and installation of renewable energy systems and to make energy efficiency improvements. The EEE provides guaranteed loans only to agricultural producers to purchase and install energy efficient equipment and systems for agricultural production and processing. The EA/REDA is available to a unit of State, Tribal, or local government; instrumentality of a State, Tribal, or local government; institution of higher education; rural electric cooperative; a public power entity; or a council, as defined under the Resource Conservation and Development program at 16 U.S.C. 3451. The grantee will establish a program to assist agricultural producers and rural small businesses with evaluating energy efficiency or the potential to incorporate renewable energy technologies into their operations. The following outlines the types of REAP funding available and a summary of how funds are allocated:

A. RES/EEI grant funds.

(1) To ensure that small projects have a fair opportunity to compete for the funding and consistent with the priorities set forth in the 7 U.S.C. 8107, the Agency will set-aside not less than 20 percent of the FY funds until June 30, 2022 to fund grants of \$20,000 or less. Each Rural Development State Office will receive a set-aside allocation of funds for grant requests of

\$20,000 or less, which includes combination grant and guaranteed loan requests where the grant amount requested is \$20,000 or less. Complete grant applications requesting \$20,000 or less, including the grant portion of a combined grant and guaranteed loan request, received by October 31, 2021 will compete for approximately 50 percent of the state's set-aside allocation, and those received by March 31, 2022 will compete for the second 50 percent (approximately) of the state's set-aside allocation. Any unobligated balance of funds remaining in state set-aside accounts will be pooled to the National Office for a national set-aside competition. Obligation of set-aside grant funds will take place through June 30, 2022.

(2) Each Rural Development State Office will also receive an unrestricted allocation of grant funds that can be used to fund any RES/EEI grant application regardless of the amount of grant requested, including the grant portion of a combination grant and guaranteed loan request, that is received by March 31, 2022. Any unobligated balance of funds remaining in state unrestricted accounts will be pooled to the National Office for a national competition of funds. Obligation of unrestricted grant funds will take place through September 30, 2022.

B. RES/EEI and EEE loan guarantee funds. Rural Development's National Office will maintain a reserve of guaranteed loan funds to fund guaranteed loan only requests or the loan portion of a combined funding request. EEE guaranteed loans for agricultural production and processing shall not exceed 15 percent of the funds available to the program. Applications will be reviewed and processed when received. Those applications that meet the Agency's underwriting requirements and are credit worthy will compete in national competitions for guaranteed loan funds periodically. If funds remain after the final guaranteed loan-only national competition, the Agency may elect to utilize budget authority to fund additional grant-only applications. For FY22, the guarantee fee rates, the annual renewal fee, the maximum percentage of guarantee and the maximum portion of guarantee authority available for a reduced guarantee

fee will be published in a separate notice. Obligation of guaranteed loan funds will take place through September 30.

C. RES/EEI combined grant and guaranteed loan funds. Funding availability for combined grant and guaranteed loan applications is outlined in Section II paragraphs A and B of this notice. Combination funding requests are scored using RES/EEI grant scoring criteria. If the combined application is ranked high enough to receive state allocated grant funds, the state will request funding for the guaranteed loan portion of the request from the National Office guaranteed loan reserve and no further competition will be required. If not funded by the state allocation of funds, combined grant and guaranteed loan applications may be submitted to the National Office to compete in the appropriate National Office competition. Obligation of these funds will take place through September 30, 2022.

D. EA/REDA grant funds. The amount of funds available for EA/REDA will be 4 percent of FY mandatory funds and funds will be maintained in a National Office reserve. Applications will compete in one national competition. After that date, any unobligated balances will be moved to the renewable energy budget authority account and may be utilized in any of the RES/EEI national grant competitions. Obligations of EA/REDA funds will take place through March 31, 2022.

Funding Restrictions. The following funding limitations apply to applications submitted under this notice.

A. RES/EEI/EEE applications.

(1) Applicants can compete and be awarded only one RES grant and one EEI grant in a FY, which includes the grant portion of a combined funding request. The Federal grant portion cannot exceed 25 percent of total eligible project costs. The maximum amount of grant assistance to an entity will not exceed \$750,000 in a FY.

(2) For RES grants, the minimum grant is \$2,500 and the maximum is \$500,000. For EEI grants, the minimum grant is \$1,500 and the maximum grant is \$250,000. These minimum and maximum limits also apply to the grant portion of a combined funding request.

(3) For RES/EEI/EEE loan guarantees or the loan guarantee portion of a combined funding request, the minimum REAP guaranteed loan amount is \$5,000 and the maximum amount of a guaranteed loan to be provided to a borrower is \$25 million. Guaranteed loan requests will not exceed 75 percent of total eligible project costs, with any Federal grant portion, as applicable, not to exceed 25 percent of total eligible project costs.

B. EA/REDA applications.

(1) Applicants may submit only one EA grant application and one REDA grant application in a FY. Separate applications must be submitted for EA funding and REDA funding. If an application is submitted for both EA and REDA funding or if an application's scope of work includes both EA and REDA activities, it will be determined ineligible for competition. The maximum aggregate amount of EA and REDA grant awards to any one recipient cannot exceed \$100,000 in a FY.

(2) Applicants that have received one or more grants under this program must have made satisfactory progress per 7 CFR §4280.110(a) before being considered for funding.

(3) The Agriculture Improvement Act of 2018, Public Law 115-334 (The 2018 Farm Bill) mandates that the recipient of an EA grant must require the agricultural producer or rural small business receiving the energy audit to pay at least 25 percent of the cost of the energy audit, which shall be retained by the grantee for the cost of the audit.

III. Eligibility Information

The eligibility requirements for the applicant, borrower, lender, and project (as applicable) are clarified in 7 CFR 4280 subpart B and in 7 CFR 5001 and are summarized in this notice. Failure to meet the eligibility criteria by the time of the competition window will preclude the application from competing until all eligibility criteria have been met.

A. *Eligible Applicants.* Grant applicants must meet the requirements specified in 7 CFR §4280.110. An applicant must also meet the requirements specified at: 7 CFR §4280.112 for RES/EEI grant; 7 CFR §4280.137 for RES/EEI combined grant and guarantee; and 7 CFR §4280.149 for EA/REDA grant.

B. *Eligible Borrowers and Lenders.* To be eligible for the guaranteed loan portion of the program, borrowers must meet the eligibility requirements in 7 CFR §5001.126 and lenders must meet the eligibility requirements in 7 CFR §5001.130.

C. *Eligible Projects.* To be eligible for the program a project must meet the eligibility requirements specified in: 7 CFR §4280.113 for RES/EEI grant; 7 CFR §4280.150 for EA/REDA grant; 7 CFR §4280.137 for RES/EEI combined grant and guarantee; and 7 CFR §5001.106 through §5001.108, as applicable, for RES/EEI/EEE loan guarantees.

D. *Other.*

(1) *Ineligible project costs* are defined at: 7 CFR §4280.115 (d) for RES/EEI grant and combined grant and guaranteed loans; 7 CFR §4280.152(c) for EA/REDA grant; and 7 CFR §5001.122 for RES/EEI/EEE loan guarantees.

(2) *Other compliance requirements.* The U.S. Department of Agriculture Departmental Regulations and Laws that contain other compliance requirements are referenced in paragraphs IV.E of this notice. Applicants who have been found to be in violation of applicable Federal statutes will be ineligible.

(3) *Hemp production.* The Agriculture Improvement Act of 2018, Public Law 115-334, (the 2018 Farm Bill) required USDA to promulgate regulations and guidelines to establish and administer a program for the production of hemp in the United States. Prior to the 2018 Farm Bill, state departments of agriculture and institutions of higher learning were permitted to produce hemp as part of a pilot program for research purposes pursuant to the Agricultural Act of 2014, Public Law 113-79, (the 2014 Farm Bill). The 2018 Farm Bill extended this 2014 Farm

Bill pilot program authority until October 31, 2020 and further extension was granted until January 1, 2022, by the Continuing Appropriations Act, 2021, and Other Extensions Act (Pub. L. 116-260) (2021 Continuing Appropriations Act).

In determining eligibility for the applicant, project or use of funds, any project applying for funding under the REAP program and proposing to produce, procure, supply or market any component of the hemp plant or hemp related by-products, or provide technical assistance related to such products, must have a valid license from an approved State, Tribal or Federal plan pursuant to Section 10113 of the 2018 Farm Bill, be in compliance with regulations published by the Agricultural Marketing Service at 7 CFR 990, and meet any applicable FDA and DEA regulatory requirements. Verification of valid hemp licenses will occur prior to award. In addition, all projects proposing to use biomass feedstock from any part of the hemp plant must demonstrate assurance of an adequate supply of the feedstock.

Given the absence of Federal oversight or regulations governing the 2014 Farm Bill pilot program, Rural Development will not award funds to any project proposing to produce, procure, supply or market any component of the hemp plant or hemp related by-products, or provide technical assistance related to such products, produced under 2014 Farm Bill authority.

IV. Application Submission Information

A. Address to Request Application Package. Application materials may be obtained by contacting the Rural Development Energy Coordinator for the state where the proposed project will be located, as identified via the following link:

https://www.rd.usda.gov/files/RBS_StateEnergyCoordinators.pdf. In addition, for grant applications, applicants may obtain electronic grant applications for REAP from www.grants.gov.

B. Content and Form of Application Submission. Applicants seeking to participate in this program must submit applications in accordance with this notice, 7 CFR 4280, subpart B and 7 CFR 5001, as applicable. Applicants must submit complete applications by the dates identified in Section IV.D., of this notice, containing all parts necessary for the Agency to determine applicant and project eligibility, to score the application, and to conduct the technical evaluation, as applicable, in order to be considered. Applicants who have already filed REAP applications for FY22 will be allowed to provide additional information necessary for application scoring, and the modification will not be treated as a new application nor will it alter the submission date of record as noted in 7 CFR §4280.110(d).

C. Submission. Applicants must submit one original, hardcopy or electronic application to the appropriate Rural Development Energy Coordinator for the State where the applicant's proposed project will be located, or for grant applications submission may be via www.grants.gov. A list of USDA Rural Development Energy Coordinators is available via the following link: https://www.rd.usda.gov/files/RBS_StateEnergyCoordinators.pdf.

D. Submission Dates and Times. Grant applications, guaranteed loan-only applications, and combined grant and guaranteed loan applications for financial assistance may be submitted at any time on an ongoing basis. Application competition deadlines are outlined in 7 CFR §4280.122 for RES/EEI grants and 7 CFR §4280.156 for EA/REDA grants and competition deadlines are summarized in the table below. RES/EEI/EEE guaranteed loans will be reviewed and processed when received for periodic competitions. In order to be considered for funds under this notice, complete applications must be received by the appropriate USDA Rural Development State Office Energy Coordinator or via www.grants.gov by 4:30 p.m. local time on the competition deadline. The complete application date is the date the Agency receives the last piece of information that allows the Agency to determine eligibility and to score, rank, and compete the application for funding. When an application window closes, the next application

window opens on the following day. An application received after the competition date will be considered with other complete applications received in the next application window.

Application	Application Window Opening Dates	Application Window Closing Dates/ Competition Deadlines
EA/REDA	February 2, 2021	January 31, 2022*
RES/EEI- \$20,000 or less set-aside Grant only request or a combination grant and guaranteed loan where the grant request is \$20,000 or less, competing for up to approximately 50 percent of state set-aside funds	April 1, 2021	October 31, 2021
RES/EEI- \$20,000 or less set-aside Grant only request or a combination grant and guaranteed loan where the grant request is \$20,000 or less competing for the remaining state set-aside funds	November 1, 2021	March 31, 2022*
RES/EEI- Unrestricted grants Grant only request or a combination grant and guaranteed loan regardless of the amount of grant request	April 1, 2021	March 31, 2022*
RES/EEI/EEE Guaranteed Loans	Continuous application cycle.	Continuous application cycle.
* Applications received after this date will be considered for the next funding cycle in the subsequent FY.		

E. Other Submission Requirements. The following are applicable for all REAP applications:

(1) *Environmental information.* For the Agency to consider an application, the application must address all environmental considerations specific to the project in accordance with 7 CFR 1970 and provide supporting documentation as necessary. An environmental review must be completed prior to approval of the application and obligation of funds. Applicants are advised to contact the Agency as soon as possible and prior to commissioning a project to determine environmental requirements and ensure adequate review time.

(2) *Transparency Act Reporting.* All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation in

accordance with 2 CFR 170. If an applicant does not have an exception under 2 CFR §170.110(b), the applicant must then ensure that they have the necessary processes and systems in place to comply with the reporting requirements to receive funding.

(3) *Race, ethnicity, and gender.* The Agency is requesting that each applicant provide race, ethnicity, and gender information about the applicant. The information will allow the Agency to evaluate its outreach efforts to under-served and under-represented populations. Applicants are encouraged to furnish this information with their application but are not required to do so. An applicant's eligibility or the likelihood of receiving an award will not be impacted by furnishing or not furnishing this information.

V. Application Review Information

A. *Scoring.* All complete applications will be scored in accordance with the following: 7 CFR §4280.121 for RES/EEI grants and RES/EEI combined grant and loan guarantee requests; 7 CFR §4280.155 for EA/REDA grants; and 7 CFR §5001.319 for RES/EEI/EEE guaranteed loans.

B. *Competitions.* The maximum number of competitions a complete and eligible application will be able to compete within the FY is outlined in 7 CFR §4280.122 for RES/EEI grants, 7 CFR §4280.156 for EA/REDA grants, and 7 CFR §5001.315 for guaranteed loans. If the application remains unfunded after the final National Office competition for the FY it must be withdrawn.

C. *Notification of funding determination.* As per 7 CFR §4280.111(c) and 7 CFR §5001.315(b)(2), all applicants will be informed in writing by the Agency as to the funding determination of the application.

VI. Other Information

A. *Paperwork Reduction Act.* In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with the programs, as covered in this notice,

have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570-0067.

B. Nondiscrimination Statement. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture
 Office of the Assistant Secretary for Civil Rights
 1400 Independence Avenue, SW
 Washington, D.C. 20250-9410; or

(2) Email: OAC@usda.gov

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Mark Brodziski,
Acting Administrator,
Rural Business-Cooperative Service.

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